

Base Metals

	Previous	CMP	% Change
Comex Copper	2.635	2.616	-0.72
LME Copper	5826.75	5781.25	-0.78
LME Aluminium	1718.75	1716.75	-0.12
LME Zinc	2459.75	2470.25	0.43
LME Lead	2199.25	2208	0.40
LME Nickel	16570	16282	-1.74
MCX Copper	438.9	437.8	-0.25
MCX Aluminium	131.55	131.3	-0.19
MCX Zinc	184.55	184.9	0.19
MCX Lead	155.5	155.8	0.19
MCX Nickel	1198.5	1189	-0.79

Base Metal Related News

Base Metals prices were broadly down with copper and aluminium securing marginal gains while the rest of the complex weakened.

The BOJ is considering lowering its forecasts for economic growth and inflation this year in a quarterly outlook report to be released.

China's imports of nickel ore increased 24% from a month ago and 23.16% from a year ago to stand at 7.09 million mt in September.

Global nickel demand is expected to increase to 2.52 million mt in 2020, from 2.45 million mt in 2019, said International Nickel Study Group (INSG).

Premiums for copper cathode on a cif basis in China were unchanged over the past week amid limited spot activity due to a closed arbitrage window for copper cathode imports into the country.

Nickel stocks in LME fell to 87,132 tonnes, hovering around their lowest since November 2011, latest data showed, while ShFE inventories rose.

LME Inventory

Commodity	LME Stock	Change	Shanghai Stock	Change	Canceled Warrants	CW as % of LME Stocks
Copper	269525	-825	134509	16401	30100	41.16
Aluminium	970425	-2050	319873	5962	-400	18.33
Zinc	59725	-225	70172	6077	250	41.19
Lead	69300	275	15622	116	-25	4.40
Nickel	83694	-3438	23196	742	-4218	64.26

Base Metal Outlook

Base metals are trading mixed today. We expect base metal prices to trade sideways to down on positive comments on US-China deal however gains will remain limited after the Parliament rejected the Brexit agreement. One can maintain buy on dips strategy in Copper on due to supply worries in Chile. During the evening, we have no major data releases.

Important Events For The Week					
	Cur		Actual	Forecast	Previous
21-Oct					
5:20am	JPY	Trade Balance	-0.1T	-0.17T	-0.13T
Tentative	EUR	German Buba Monthly Report			
Tentative	USD	Federal Budget Balance		83.5B	-200.3B
22-Oct					
7:30pm	USD	Existing Home Sales	5.38M	5.45M	5.49M
	USD	Richmond Manufacturing Index	8	-7	-9
EVENTS FOR TODAY					
Tentative	EUR	German 10-y Bond Auction			-0.61 2.4
6:30pm	USD	HPI m/m		0.40%	0.40%
7:30pm	EUR	Consumer Confidence		-7	-7
8:00pm	USD	Crude Oil Inventories			9.3M
24-Oct					
6:00am	JPY	Flash Manufacturing PMI		49.2	48.9
12:45pm	EUR	French Flash Services PMI		51.6	51.1
	EUR	French Flash Manufacturing PMI		50	50.1
1:00pm	EUR	German Flash Manufacturing PMI		42	41.7
	EUR	German Flash Services PMI		52	51.4
1:30pm	EUR	Flash Manufacturing PMI		46.1	45.7
	EUR	Flash Services PMI		51.9	51.6
5:15pm	EUR	Main Refinancing Rate		0.00%	0.00%
	EUR	Monetary Policy Statement			
6:00pm	EUR	ECB Press Conference			
	USD	Core Durable Goods Orders m/m		-0.20%	0.50%
	USD	Durable Goods Orders m/m		-0.50%	0.20%
	USD	Unemployment Claims		216K	214K
7:15pm	USD	Flash Manufacturing PMI		50.7	51.1
	USD	Flash Services PMI		51	50.9
7:30pm	USD	New Home Sales		710K	713K
8:00pm	USD	Natural Gas Storage			104B
25-Oct					
11:30am	EUR	German GfK Consumer Climate		9.8	9.9
1:30pm	EUR	German Ifo Business Climate		94.5	94.6
7:30pm	USD	Revised UoM Consumer Sentiment		96	96
	USD	Revised UoM Inflation Expectations			2.50%

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Narnolia Financial Advisors Ltd | Market Strategy Desk

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NIL

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